

COMPT 76-1869

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12 NOV 1976

MEMORANDUM FOR: Deputy Director for Administration
Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science and Technology
Executive Secretary

THROUGH: Comptroller

SUBJECT: FY 1978 Congressional Budget Submission

1. This memorandum: (1) provides information on what we expect our FY 1978 Congressional Budget submission will include; and (2) requests certain data--outlined in sections III.c.1 and 3 below--in support of our submission. Control figures and a time schedule will be furnished after we hear what OMB proposes to recommend to the President. Other specific requirements for data will be conveyed to you as soon as they have been clarified. Meanwhile, there are a number of requirements we can begin immediately to satisfy.

2. As a result of directives already received from the Appropriations Committees and of additional recommendations that have been made by the Surveys and Investigations Staff of the House Appropriations Committee (Attachment A), the Congressional Budget Submission for FY 1978 will contain substantially more information than predecessor documents. As a result, the information requirements imposed on the components also will be considerably heavier. To explain how these individual items of information will be incorporated into the final document, we have prepared the following outline of the new version of the book, annotated to explain the changes in comparison with the FY 1977 version.

- I. Perspectives (the overview)--the trends discussion will be retained. A section discussing significant developments in management (including organizational changes, significant economies achieved, improvements in management evaluation systems, etc.) in terms of contribution to greater Agency efficiency and effectiveness will be added. Changes in Agency/Community relationships will be part of this discussion.
- II. Program for 1978--most material on proprietaries and the Reserve for Contingencies will be moved to the supplemental schedules section.

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- III. Program by Program Categories. The categories and program subcategories for discussion are unchanged, except that Communications Services will be divided into several sub-categories. We have been in touch with the Office of Communications about this.
- A. Summary discussion of trends, including brief explanation of activities in each category.
 - B. Tables on program categories and contributors (computer printouts).
 - C. Substantially expanded narratives on each program category.
 - 1. FY 1976 productivity and achievements--to include statistical data on productivity and evaluative information from internal sources and from users. Attached (Attachment B) is a list of the productivity data needed, based on what we have been told is, or can be made, available. Components should, however, add any other data that they believe will be particularly useful in convincing Congress of our efficiency. Items listed in the attachment are examples and need not be used if you have better indicators available. Annual data for FY 1970 (or the earliest possible subsequent year) through FY 1976 (not the TQ) should be forwarded to the Comptroller by c.o.b. 30 November. Decisions on the specific productivity indicators to be included in the document will not be made until we have your responses, and we will let you know what choices we have made. We will contact you later about effectiveness (achievements) information.
 - 2. Major emphasis in FY 1978--a somewhat expanded narrative covering all major projects in the category, including achievements planned or sought in 1978, appropriate comments on the impact of Appropriations Committee actions last year, and a discussion of specific items of interest to the Appropriations Committees (e.g., in clandestine and technical collection, in information processing, and in production, what specific plans do we have for increasing the US Government's understanding of the Soviet Research and Development program?).

3. We will again use photographs. Subjects should be chosen for their relevance to the FY 1978 program or to 1976 achievements. Good quality color positives--and negatives if possible--are needed by 3 January 1977. These should be accompanied by suggested titles.

- D. Summary explanation of change.
 - E. Table explaining in detail funds changes between FY 1977 and FY 1978 that are programmatic in nature. Comptroller personnel will meet with Directorate personnel to reach a common understanding on items to be described as cost changes and those to be described as program changes. (See Attachment C for format.) Computer printouts will be available providing data for the first three columns.
- IV. Program by Organization. Begin area division information with summary table.
- V. Object Class Data. No change.
- VI. Personnel Data. No change.
- VII. Supplemental Schedules
- 1. Responses to Congressional Directives. No change.
 - 2. SIGINT. To include a narrative covering discussion of results expected from planned program as well as the program itself.
 - 3. ADP. To include a detailed table similar to that in FY 1978 OMB Submission and a narrative which sets forth need for and description of each significant system, including full projected costs.
 - 4. RD&E. To include a narrative, as for SIGINT.
 - 5. External Analysis (excluding Research and Development) To begin with one page summary table.
 - 6. Position and Personnel Data. No change.

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7. 

8. CIARDS. To provide data on FY 1978 cost, 30-year projections, number of beneficiaries, and a narrative discussion of those data as well as benefit structure, investment policies, any unfunded liabilities, and any other problems. Instructions for reporting the necessary data are being developed by Comptroller personnel.
9. Proprietaries. To include a narrative and a detailed table on operating proprietaries that sketches nature and purpose of each, gives data on cash and investment balances, and indicates plans for use in budget year.
10. Reserve for Contingencies
 - a. Historical Table
 - b. Table listing each Reserve Release from FY 1969 on indicating nature and location of activity and explaining why the Reserve was used as the source of funding.
 - c. Fund availability--FY 1976-78. Table and narrative giving details by fiscal year of balances becoming available.
11. Inventories. Table and narrative giving inventory levels and plans for increasing or decreasing them in the budget year. Comptroller personnel will be in touch with the Offices of Communications, Logistics and Technical Services to develop a common approach.
12. Adjustments to 1977 budget. Tables on an organizational basis (one for each directorate and the DCI area) summarizing changes in the FY 1977 budget since the FY 1977 Congressional Submission (see Attachment D for format).
13. Rental Payments to GSA. No change.
14. Lands and Structures. No change.
15. Motor Vehicle Summary. No change.

VIII. Historical Tables. No change, except Reserve table moved to supplemental schedules.

3. None of the additional material required to produce the expanded documents is available directly from the Financial Resources System. A program to provide part of the information for tracking changes after the Congressional Submission is being developed, but it will not be operational for some months. Directorates will therefore have to prepare two new tables--on changes in the FY 1977 budget and on program category/subcategory/contributor changes between FY 1977 and FY 1978 manually. We will let you know about other requirements for information for the budget documents, the budget speeches, and the back-up book shortly.

4. We would like to meet with your designated representatives at 1000 hours on Wednesday, 17 November in 4E05 to discuss these matters in detail and respond to any questions.

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Acting Assistant Comptroller, Resources

Attachments:
As stated

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COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

ATTACHMENT A

11-9-76

Memo to Jim Taylor, Comptroller:

Jim:

Mr. Anderson, Chief of the Surveys and Investigations Staff, has asked that the attached copy of pages of our recent memorandum to the Committee be supplied you (per the Committee's request) to aid in advance preparation for discussions you have scheduled with staff member(s) of the Committee. The first 4 pages of the memorandum are not attached as they deal with introductory explanation of the Committee's overall directive and a brief summary of the detailed material contained in pages 5-15 with exhibits.

As you know, the Committee had requested that we promptly bring to its attention any suggestions for improvements in the budget justification material which might be incorporated in the FY 1978 presentation. The data in the attached material had been reviewed generally with members of your staff before submission to the Committee.

Buck

L. M. Walters
Staff Member

gencies, (c) Inventories, (d) Proprietary Activities, and (e) Automatic Data Processing (ADP) Systems.

It is suggested that CIA be required to add a new Special Analyses Section to its FY 1978 Budget Justification Book in order to present more complete information on the foregoing items, as described in the next section of this memorandum, and to also include therein any similar categories of expenditure which involve significant resources that should be brought to the Committee's attention.

IV. PROPOSED FORMAT AND CONTENT OF SUGGESTED IMPROVEMENTS

A. Explanation of Change Section

It is proposed that the present brief "Explanation of Change" section for each Program Category ("Clandestine Collection," "Technical Collection," "Overt Collection," etc.) be replaced by a new format designed to facilitate a more detailed and complete narrative justification of increases and decreases proposed in the budget estimate. (See Exhibit A attached)

The narrative under this section for each Program Category would be prefaced by a tabular statement of the funds involved for the past year, current year, and budget year, broken down by the major activities or organizational units involved. A comparison column between the current year and the budget year would be shown to serve as a basis for keying to the accompanying explanation of individual increases and decreases. This comparison column should break out the mandatory types of increases from programmatic increases and decreases for ready reference to narrative explanations. For the purpose of clarity in presentation, it is suggested that only funds data be reflected in the tabular statements but that changes in positions and average employment (AE) be furnished and explained in the accompanying narrative. Complete and detailed data on positions and AE would continue to be provided in the supporting schedules as is now done.

Level of breakdown by major activities or organizational units: It is important that the fund breakdown in the tabular statement be in sufficient detail to assure a meaningful display of program changes for justification and analysis.

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It is proposed that the tabular statement for the "Clandestine Collection" Program Category under Intelligence Operations consist of a breakdown by the components of the DO area. An explanation of increases and decreases at the level of the area divisions and staff offices will be provided thereby, in lieu of the present summary approach which primarily addresses the total for the Operations Area.

It should be noted that it might have been preferable to have based the "Explanation of Changes" for the Clandestine Collection Program Category on the operational objectives established by DO under its system of management by objectives (BO). However, such a breakdown is not meaningful for re-

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Increase - Decrease Columns: Inasmuch as many of the Agency's changes in the budget year are due to across-the-board mandatory cost increases (pay act, within-grades, price increases, etc.) which are subject to a common explanation, they may be isolated in a separate column (as demonstrated in Exhibit A attached) and a single narrative statement furnished addressed to the column total. Such a common technique is effectively used, for example, by the Department of State. (See House Committee on Appropriations Hearings on the Department of State Budget for FY 1977, Part 5, page 29).

It should be noted that the Department of State uses a multicolumn breakout of such cost increases by type to facilitate the narrative explanation. This breakout is an optional approach dependent upon the extent and significance of mandatory increases, space considerations in the columnar presentation, etc.

Where the single-column approach is used to group all mandatory cost increases, it is important that the accompanying narrative include a breakdown of the column total by type, and that an adequate explanation be given as to the basis and

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extent of the cost increases and how the estimates were derived. For example, the present (FY 1977) explanations are deficient in not providing an adequate justification of proposed increases

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A separate column in the increase-decrease columns should be reserved for programmatic increases and decreases with the figure for each program or activity keyed to the narrative statement of justification.

It is suggested that a standard outline, with appropriate side headings, be followed to facilitate review and to assure adequate justification. Although there is need for flexibility in treatment depending upon the type of change involved, the narrative should clearly and concisely answer the questions:

Specifically what is proposed?

Why is it necessary?

Where and how will it be done?

How much will it cost?

How are the estimated costs determined?

It is especially important that narrative statements pertaining to funding changes for major projects and systems clearly provide full cost information, including obligations to date, the current funding level, and the estimate of total cost. As a general rule, it is suggested that a program change involving \$100,000 or more should be justified separately as well as lesser amounts involving initiation of new projects or activities which will require significant follow-on costs in future years.

For illustrative purposes, Exhibit A attached indicates how the information may be grouped by side headings and the manner in which format may be varied by type of item. (e.g., nonrecurring changes, net changes, various nominal increases and decreases, etc.)

Other Program Categories

For the other Program Categories under Intelligence Operations; namely "Technical Collection," "Overt Collection," "Research, Development and Engineering," and "Covert Action," it is recommended that the breakdowns shown in pages 30 and 31 of the FY 1977 Congressional Budget Book be utilized for

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the respective "Explanation of Change" tabular statements, as has been illustrated for the Clandestine Collection category.

For the "Information Processing and Exploitation" category it is suggested, considering the nature of the operations and the amounts involved, that there be a single "Explanation of Change" section with the narrative preceded by a tabular statement reflecting the breakdown shown in page 18 of the FY 1977 Congressional Budget Book (e.g., "Central ADP Services," "Dissemination Service," "Imagery Exploitation," etc.) It may be desirable, however, to provide sub-breakdowns of "Imagery Exploitation" and "Information Retrieval."

For the "Production of Intelligence" category, it is also recommended that a single "Explanation of Change" section be shown with the tabular statement following the functional/organizational breakdown shown on page 18 of the FY 1977 Congressional Justification Book (e.g., "Current," "Economic," "Estimative," etc.)

The breakdowns proposed for the two major categories commented upon above should not be construed to mean that a summary justification of the net changes for each item will suffice. Rather, each major change reflected in the net change figure should be identified and justified separately.

The tabular statement for the Program Category "Communications" should reflect the breakdown shown on page 50 of the FY 1977 Congressional Justification Book.

For the "Program Wide" category, a separate "Explanation of Change" section is proposed with the tabular summary following the breakdown shown on pages 50 and 51 of the FY 1977 Congressional Justification Book.

B. Results and Achievements Section

It is recommended that a new section be added to the narrative immediately following each "Explanation of Change" section providing as detailed information as possible on the results and achievements, or lack thereof, under the programs involved in the subject program category.

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With the exception of "Clandestine Collection" discussed below, the material should be organized so as to relate results and achievements directly to the organizations and activities breakdown reflected in the tabular statement included in the "Explanation of Change" section.

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The material should be specially developed to meet the peculiarities of the various programs involved. Although the Investigative Staff has concentrated its analysis of budget justification material within DO, it is apparent that in other directorates there is a similar lack of information on program results and accomplishments and, in many other areas of the Agency, quantitative workload data should be available on operations to provide indicators of the need for changes in requirements.

For the "Intelligence Operations" category, a separate "Results and Achievements" section is proposed for each of the Program Categories (e.g., "Clandestine Collection," "Technical Collection," etc.), consistent with the suggested provision of separate "Explanation of Change" sections.

Suggested Outline for "Clandestine Collection"

In order to recognize the sensitivity of a direct relationship between results and the area division involved, it is suggested that the narrative discussion of DO's results and accomplishments be addressed generally to its overall activities, but where it is feasible to relate results and accomplishments to the "Explanation of Change" section showing increases and decreases in particular divisions, that be done.

The following outline is suggested as one possible approach to the organization and content of material that could be indicative of overall results under the clandestine collection effort. It is intended only to illustrate some types of categories and information that might be covered.

Thorough Agency analysis of the data available may well suggest many additional and alternative methods for presentation of program results and achievements.

1. Overview of Current- and Past-Year Performance

- (a) Highlight important developments in the administration of the program, including any significant policy and organizational changes, changes in program emphasis, economies in operations, problems encountered, etc.
- (b) Include an explanation of any significant adjustments in resource allocations made in the current year's operating budget (e.g., FY 1977) as compared with the congressional budget request

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previously submitted for that year. Changes due to congressional action should be identified as well as reprogrammings which have been subject to Committee approval.

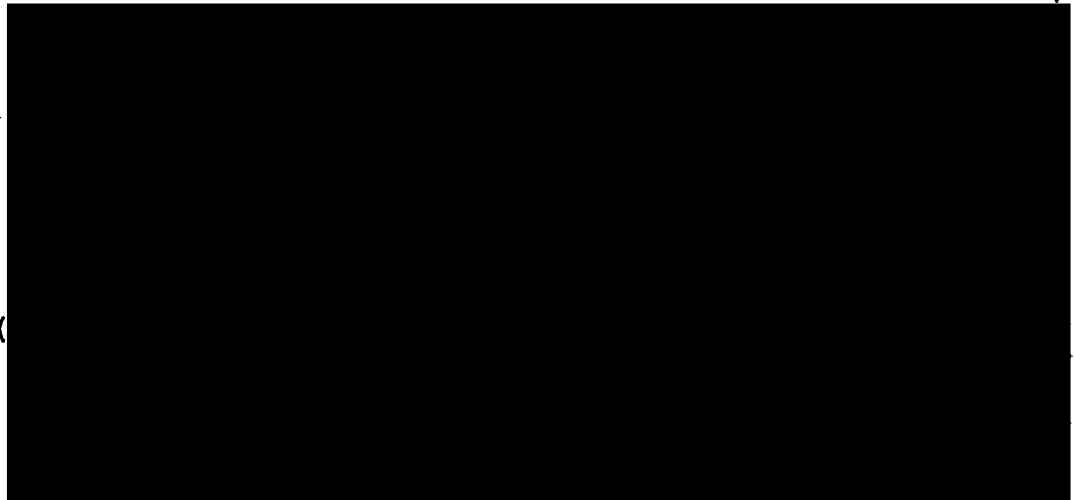
2. Reports Data

Provide overall statistics and interpretive narrative on intelligence reporting during the past year with comparative data for prior years to show trends. Various breakdowns should be furnished to indicate production by geographic areas, by topic (e.g., the targeted objectives under MBO), shifts in emphasis, etc.

3. Narrative Discussion of Results and Achievements

- (a) Provide an evaluative summary of the past year's experience under each of the MBO targeted objectives outlining problems encountered, successes, and failures in recruitments, collection, and covert action.

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- (c) Present pertinent data from the annual report on "Coverage and Sources of Selected CIA Intelligence Publications" prepared by the Collection Guidance and Assessments Staff of the Office of the Comptroller. This annual report is compiled from rating reports completed by the analysts on selected finished intelligence publications prepared by the Directorates of Intelligence and Science and Technology. As these directorates make extensive use of DO reporting, it is suggested that an analysis

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be provided of the key contributions made by the DO reports. In addition to providing summary data by area and and topic, a representative number of individual reports, rated as key and/or supplemental sources, could be related directly to the finished intelligence products and comment made to indicate the nature and importance of the contribution.

C. Special Analyses Section

It is suggested that this new section be added immediately after the narrative justification for the Program Categories (e.g., page 51 of the FY 1977 Congressional Justification Book). The narrative and supporting schedules for each special analysis category will vary with the nature of the activity involved as indicated below. In general, however, the explanation should include complete information on background and purpose, the current status, plans and requirements for the budget year, and, where applicable, a 5-year cost projection.

To the extent that a budget-year resource requirement pertaining to the subject funds has been covered adequately in the narrative justification under the "Explanation of Change" section previously discussed, it could be incorporated by appropriate reference in the Special Analyses section.

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2. Reserve for Contingencies

The FY 1977 Congressional Budget Book presents a discussion of the Reserve for Contingencies and tables showing the activity in the Reserve for the past year, the current year, and the budget year (pages 14 and 15). Page 140 presents an historical summary of funds available to the Reserve and the approved releases from 1952 to 1977. These presentations should be consolidated and put under the Special Analyses Section of the budget submission.

It is further suggested that the Reserve analysis be expanded to include:

- (a) A brief description of each release from the Reserve during the immediate past year and the current year with an explanation for each as to why the Reserve was used rather than the current appropriation; a statement as to whether the current appropriation was used for the same

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activity in addition to use of the Reserve; and whether the activity will continue in the budget year showing, if so, the proposed source of funding.

- (b) The Reserve financing table should be footnoted to show estimates of funds that will be available to the Reserve from unobligated appropriations and from deobligations of prior-year funds. The Agency carries in its general ledger an account (No. 4119) "Reserve for Contingencies - Adjustments Awaiting Budget Bureau Approval" which contains a balance essentially composed of the unobligated balances of the 2 immediate past years, the unobligated balances in the "M" accounts, and any planned returns to the Reserve because of deobligations of prior releases or return of current releases. The unobligated balances of the 2 immediate past years are not placed in the Reserve until the third year, at which time the appropriation lapses. Including these unobligated balances in a footnote to the table would give the Committee a better estimate of the amounts that will be available to the Reserve. For instance, a footnote to the table on page 14 of the FY 1977 Congressional Budget Book could have read:

"Unobligated balances, as of 12/31/75,
of prior year appropriations were:

"FY 1973 -----	
FY 1974 -----	
FY 1975 -----	
Total -----	

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"The 1973 amount is included in the 1976 column as an addition to the Reserve and the 1974 amount is included in the 1977 column. The 1975 amount will become available for addition to the Reserve in FY 1978. These amounts are subject to change as obligations for those years are paid or adjusted. Also, some additional amounts may become available when "M" account obligations are settled."

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5. Automatic Data Processing
(ADP) System

Inasmuch as ADP resource requirements constitute a significant portion of the Agency's budget (8.1 percent for 1977), it is recommended that the Congressional budget submission include a schedule and an accompanying narrative statement, similar to that now submitted to OMB pursuant to Section 24.6 of OMB Circular No. A-11. For major capital investments, it is important that the narrative justification clearly set forth the need, a description of the proposed system, the estimated total cost, the cost to date, and the basis for the request for the budget year.

Exhibits A and B follow.

FY 1978 Budget Estimate Compared with FY 1977

	FY 1976	FY 1977	FY 1978	Increase or Decrease	
				Mandatory Cost Increases	Programmatic Changes
Clandestine Collection:					
Operations Area:					
Africa	\$ xxx	\$ xxx	\$ xxx	\$ + xx	\$ + xx (2)
East Asia	xxx	xxx	xxx	+ xx	- xx (3)
Europe					
Near East					
Soviet/East Europe					
Latin America					
Foreign Resources					
Headquarters staff					
(excl. area divisions)					
Cover and Commercial					
Counter Intelligence					
Operations					
Plans					
Services					
Special Assistant, ^O /DDO					
Total, Operations Area					
Technical Services(Science and Technology Area)					
Total, Clandestine Collection				\$ + xxx (1)	

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Exhibit A

(1) An increase of \$ _____ due to mandatory cost increases, as follows:

- | | | |
|----|---|------------|
| a. | To provide for statutory pay raise effective _____. | \$ + _____ |
| b. | Increase in reimbursement to Department of State
(Provide breakdown: man-year-costs, increase
in shared administrative costs, etc.) | + _____ |
| c. | Itemize and explain any other common mandatory increases such
as price increases (e.g., international air fares), extra day's
pay, within grades, etc.) | + _____ |
| | Total mandatory increases | \$ + _____ |

(2) A net programmatic increase of \$ _____ in Africa Division consisting of:

- a. An increase of \$ _____ to provide on a full-year basis for the operation of the six new stations funded on only a part-year basis in FY 1977.

Basis for Estimate: (Indicate additional A.E. involved and other significant costs included in the increase.)

- b. An increase of \$ _____ to establish _____ new stations at _____, _____, and _____.

Need for Increase: (Describe the problem, the objective of the increase, and its relationship to the current program, including funding level. For example, in this instance what is the specific need that is not being met by the existing field stations and how was the location of the proposed new stations determined.)

Basis for Estimate: (Describe the makeup of the estimate and how the funds will be used.) For example, indicate the relative size (number of positions) and total annual costs of the stations, including explanation of any significant current or future support costs (e.g., housing); how the staffing was determined; any planned future expansion; etc.

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- c. An increase of \$ _____ in developmental funds:

Need for Increase: (Sample)--Additional funds are required to support developmental operations for newly opened stations and an accelerated pace of developmental activity in Southern Africa as a consequence of Angolan independence and the increasing political tensions in Rhodesia.

The increase will provide a total of \$ _____ in developmental funds. \$ _____ is available for the current year representing an increase of \$ _____ over FY 1976 for support of the new stations opened in FY 1976 and planned for FY 1977. (Continue narrative to indicate more specifically the current demand for an increase in developmental resources).

Basis for Estimate: (Describe how the estimate was determined and the general plan for allocation of funds. For example, what is the relationship of the request to the new field stations being established.)

- d. A net increase (or decrease) of \$ _____ representing nominal programmatic adjustments.

Explanation of Change: (This type of category could be used for grouping various nominal increases and decreases in programs such as non-recurring training costs, minor position changes, etc.)

As a general rule, program changes involving \$100,000 or more should be justified separately as well as lesser amounts which involve initiation of new projects or activities which will require significant follow-on costs in future years..

- (3) A net programmatic decrease of \$ _____ in the East Asia Division consisting of:

- a. A decrease of \$ _____ due to nonrecurring purchase of housing in Bangkok and Tokyo in FY 1977.

(Explain nature and status of plans for expenditure of the funds for such housing during current year.)

- b. A nonrecurring increase of \$ _____ for purchase of additional housing in Hong Kong.

Need for Increase: (Explain status of housing situation in Hong Kong, current requirements and how they are being met; extent of existing U.S. owned housing and adequacy of rental market, etc.)

Basis for Estimate: (Outline how estimate was determined; nature, quantity, and unit cost of housing proposed for acquisition; indicate any additional renovation costs contemplated; estimated annual maintenance costs, etc.)

- c. An increase of \$ _____ to expand collection efforts against the Soviet target.

Need for Increase: "(Sample)--Because of the high priority of the Soviet target, it is proposed to establish a new station at _____." Provide information on the present need for and basis for proposed size of station, etc.

Basis for Estimate: (Provide an explanation of personnel and support costs involved, any unusual cost element of the estimate, extent of any nonrecurring costs, extent to which follow-on expansion is planned in future years, etc.)

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STATISTICAL DATA ON PRODUCTIVITY

Clandestine Collection

Reports by division by topic--quantity and quality data.
Reports by division by source.
Productivity of audio operations.
 --number of reporting sources (by division);
 --reports used in finished intelligence production;
 --number of reports of outstanding significance (and percent of total).
OTS--authentication and graphics arts--data on numbers and types of
 requests received and serviced.

Technical Collection

Data on SIGINT collection.
Imagery - ?

Overt Collection

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STATSPEC

RD&E--Intel Ops

OTS data measuring engineer/technician productivity in complex,
 long-term projects.
OEL success in meeting cost and schedule requirements.
Management support to contract \$ ratios by office--for CIA programs.
Trends in management support to contract \$ ratios for CIA support to
 national programs.

Covert Action

?

IP&E

DDO--number of name traces; time per trace;

ODP--requests for service completed;
 --number of customers being supported concurrently on interactive
 time shared computer system.

NPIC--mission exploitation statistics;
 --reporting output statistics (IAs and Production);
 --productivity index percentages.

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CRS--requests received for services;
--number of documents disseminated;
--number of computer records input by each typist and time required.

Commo--messages handled by worldwide network (total and man-year);
--messages processed at Headquarters (total and per-position).

Production

Statistics on numbers and types of publications by subject, by office.
Statistics on key sources.

Exec. Direction and Support

Info/Privacy Staff--cases completed, letters prepared.

Finance--audit and certification of vendor invoices;
--payrolling.

Personnel--processing of employment applications;
--central personnel actions;
--position classification.

Logistics--number of printing jobs;
--number of procurement actions processed;
--number of safehouses acquired, terminated and maintained.

Security--overseas and domestic technical security support;
--field investigative assignments;
--information release.

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ATTACHMENT C

EXPLANATION OF CHANGE, 1977-1978
CLANDESTINE COLLECTION

Contributor	Amount (\$Million)		Difference	Cost Change	Programmatic Change
	1977	1978			
Operations Area					
DD/Operations	\$ x,xxx	\$ x,xxx	+ xxx	+xxx	-xxx
Career Management	xx,xxx	xx,xxx	+x,xxx	+xxx	+xxx
Counterintell. Staff					
etc.					
etc.					
Division D					
Foreign Resources					
Africa					
East Asia					
etc.					
etc.					
Total Operations Area					
Science & Technology Area					
Technical Service					
Total Science & Tech Area					
TOTAL Cland Collection					

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ATTACHMENT C

Explanation of Change, 1977-1978

Cost Changes

Operations Area--an increase of \$_____ due to mandatory cost increases, as follows

To provide for statutory pay raise effective _____ \$ + _____

Increase in reimbursement to Department of State
(Provide breakdown: man-year-costs, increase in
shared administrative costs, etc.) + _____

Itemize and explain any other common mandatory increases such
as price increases (e.g., international air fares), extra day's
pay, within grades, etc.) + _____

Total mandatory increases--Operations Area \$ + _____

Science and Technology Area--an increase of \$_____ due to mandatory cost increases as
follows:

To provide for statutory pay raise effective _____ \$ + _____

Etc.

Total mandatory increases - Science and Technology Area + _____

Total mandatory increases - Clandestine Collection + _____

Programmatic Changes

Operations Area

Africa Division

A net programmatic increase of \$ _____ consisting of: + _____

An increase of \$ _____ to provide on a full-year basis for the operation of the six new stations funded on only a part-year basis in FY 1977.

Basis for Estimate: (Indicate additional A.E. involved and other significant costs included in the increase.)

An increase of \$ _____ to establish _____ new stations at _____, _____, and _____.

Need for Increase: (Describe the problem, the objective of the increase, and its relationship to the current program, including funding level. For example, in this instance what is the specific need that is not being met by the existing field stations and how was the location of the proposed new stations determined.)

Basis for Estimate: (Describe the makeup of the estimate and how the funds will be used.) For example, indicate the relative size (number of positions) and total annual costs of the stations, including explanation of any significant current or future support costs (e.g., housing); how the staffing was determined; any planned future expansion; etc.

NOTE: See HAC sample for further examples. Combine all cost change data from one Directorate on 1 or more pages. Begin Programmatic change explanation on separate page.

CHANGES IN 1977 BUDGET

Between February 1976 and February 1977
(Dollars in Thousands)

<u>Component</u>	<u>1977 Budget (Feb 1976)</u>	<u>Plus or Minus: Congressional Action</u>	<u>Plus: Pay Act & Reserve Releases</u>	<u>Plus or Minus: Reprogramming</u>	<u>Equals: 1977 Budget (Feb 1977)</u>
Operations Area					
DD/Operations	\$ x,xxx	- x,xxx	+xx	-xxx	\$ x,xxx
Career Manage.					
Counterintell. Staff					
etc.					
etc.					
Division D					
Foreign Resources					
Africa					
East Asia					
etc.					
etc.					
Total Operations Area					

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ATTACHMENT D

Explanation of Significant Reprogramming of FY 1977 Budget

Operations Area

\$x,xxx	from East Asia Division personal services funds to: (1) Near East Division/DDO for purchase of housing in [REDACTED] (\$xxx); and to DCI Area for personal services costs (\$xxx).	25X1A
\$xxx	from European Division operational funds to DDA for [REDACTED] costs.	25X1C
\$x,xxx	to Near East Division. \$xxx from East Asia Division for housing purchase. \$xxx from Soviet/East European Division accompanied by transfer of xx positions.	

NOTE: Include explanation of each reprogramming action involving \$100K or more. Where applicable, explanation would indicate that reprogramming was reported to the Appropriations Committees.

SECRET

STATINTL

SENDER WILL CHECK CLASSIFICATION TOP ONLY					
UNCLASSIFIED		CONFIDENTIAL		SECRET	
OFFICIAL ROUTING SLIP					
TO				DATE	INITIALS
1					
2					
3					
4					
5					
6					
ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
Remarks:					
<p><i>Do you see any great potential for here data improvement & security a state pattern problem let's discuss for a few minutes - done</i></p> <p><i>DDA 76-5718</i></p>					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.				DATE	
<i>DDA</i>				<i>1 DEC 1976</i>	
UNCLASSIFIED		CONFIDENTIAL		SECRET	

STATINTL

TRANSMITTAL SLIP		
TO: <i>ALLA</i>		
ROOM NO. <i>7D18</i>	BUILDING <i>Hq.</i>	
REMARKS:		
<p><i>BX-4</i></p> <p><i>EO/ODA</i></p> <p><i>ADDA</i></p> <p><i>ODA</i></p> <p><i>18 NOV 1976</i></p> <p><i>by [redacted] will attend</i></p> <p><i>[redacted] - has copy</i></p>		
FROM: <i>of Comptroller</i>		
ROOM NO.	BUILDING	EXTENSION

STATINTL

STATINTL

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

OFFICIAL ROUTING SLIP

DDA File
Appropriation
Budget

STATINTL

TO	NAME AND ADDRESS	DATE	INITIAL
1	Comptroller		
2	Attn: Mr. [REDACTED]		
3			
4			
5			
6			

ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

Remarks: Ref: Memo to DDA dtd 12 Nov 76; subj.
 FY 1978 Congressional Budget Information

Attached are responses from the Offices of
 O/DDA, Commo, OMS, ODP, OF, OTR and OP, *US*

As other Office responses are received,
 I will forward them to you, i.e. OL ~~7685~~

STATINTL

FOLD HERE TO RETURN TO SENDER		
FROM: NAME, ADDRESS AND PHONE NO.	DATE	
[REDACTED] DDA Budget Staff [REDACTED]	12/1/76	
UNCLASSIFIED	CONFIDENTIAL	SECRET

25X1A

UNCLASSIFIED		CONFIDENTIAL		SECRET	
OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS		DATE	INITIALS	
1	Mr. Malanick		3 DEC 1976	M	
2					
3	Mr. [REDACTED]			B	
4					
5	Registry - File				
6					
ACTION		DIRECT REPLY	PREPARE REPLY		
APPROVAL		DISPATCH	RECOMMENDATION		
COMMENT		FILE	RETURN		
CONCURRENCE		INFORMATION	SIGNATURE		
		X			
Remarks: Subject: FY 1978 Congressional Budget Information Mike: Attached is the package I hand carried to [REDACTED] yesterday which was in response to Comptroller's 12 November memo (Ref. attached) for productivity data and inventory information from Logistics.					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.					DATE
Bill [REDACTED]					12-2-76
UNCLASSIFIED		CONFIDENTIAL		SECRET	

FORM NO. 1-67

237

Use previous editions

* GPO : 1974 O - 535-857

(40)

STATINTL

STATINTL